

Message Text

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ACTION COME-00

INFO OCT-01 EUR-25 ISO-00 CIAE-00 INR-10 NSAE-00 RSC-01

PA-04 PRS-01 USIA-15 SPC-03 DOTE-00 NASA-04 NSC-10

EB-11 DRC-01 /086 W

----- 109890

P R 131105Z NOV 73

FM AMEMBASSY LONDON

TO SECSTATE WASHDC PRIORITY 5513

INFO DOD WASHDC

FAA WASHDC

UNCLAS SECTION 01 OF 03 LONDON 13236

FOR COMMERCE

E.O. 11652: N/A

TAGS: ETRD, BEXP

SUBJECT: FARNBOROUGH 74

REF: (A) LONDON A-1177; (B) LONDON 12062; (C) USDOC
17455

1. POLL OF UK AFFILIATES OF US COMPANIES (REF. C)
A. FARNBOROH FAIR AUTHORITIES GAVE EMBASSY LIST OF
47 U.S. COMPANIES WHICH HAD SIGNIFIED INTEREST IN
PARTICIPATING FARNBOROUGH '74 IN RESPONSE TO DIRECT
MIL APPROACH FROM FAIR AUTHORITIES.

B. EMBASSY HAS CONTACTED 22 OF THE 29 FIRMS WITH
LOCAL REPS IN UK OR EUROPE WITH FOLLOWING RESULTS:

(I) FOLLOWING NINE HAVE INDICATED POSITIVE INTEREST
IF THERE IS U.S. OFFICIAL PARTICIPATION:

1. AVCO CORPORATION; 2. BEECH AIRCRAFT; 3. CABOT
CORP. STELLITE DIVISION; 4. E-SYSTEMS; 5. GRUMMAN
AIRCRAFT; 6. HAZELTINE; 7. KEUFFEL & ESSER; 8.
LOCKHEED AIRCRAFT; 9. UNITED AIRCRAFT.

(II) FOLLOWING SEVEN HAVE INDICATED POSSIBLE INTEREST
IF THERE IS U.S. OFFICIAL PARTICIPATION: 1. BELL

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HELICOPTERS; 2. COLLINS RADIO; 3. LTV; 4. MOBIL OIL;

5. NORTHROP AIRCRAFT; 6. RAYTHEON; 7. SYSTRON-DONNER.

(III) FOLLOWING SIX INTERESTED BUT DECISION BEING

REFERRED TO U.S. CPANY: 1. BOEING; 2. INFINETICS;

3. LITTON AEROSPACE; 4. MCDONNELL-DOUGLAS; 5. SINGER

SIULATION; 6. SINGER KEARFOTT DIVISION.

C. WE WILL CPLETE POLL OF THE 7 WITH LOCAL OR

EUROPEAN AFFILIATES WE HAVE NOT BEEN ABLE TO CONTACT

AND REPORT RESULTS. THE EIGHTEEN WHICH DO NOT APPEAR

TO HAVE LOCAL UK OR EUROPEAN OFFICES AND SHOULD BE

CONTACTED FROM WASHINGTON BEING SENT SEPTTEL.

2. EXHIBITION COST ESTINATES HAVE BEEN COMPUTED AT 2
LEVELS:

A. EXHIBIT OF 1,000 SQUARE METERS (APPROXIMATELY

10,000 SQUARE FEET) NET SPACE COMPUTED AS FOLLOWS:

(I) 40 BOOTHS OF 12 SQUARE METERS EACH 480 SQ. METERS

(II) FAA EXHIBIT (EQUIVALENT TO 8 BOOTHS) 100 SQ. METERS

(III) COMMON AREAS (OFFICES, VIP AND BUSINESS LOUNGES
ETC.) 420 SQ. METERS.

B. EXHIBIT OF 710 SQUARE METERS (APPROXIMATELY 7,600
SQ. FEET) NET SPACE:

(I) 30 BOOTHS 360 SQ. METERS

(II) FAA EXHIBIT 100 SQ METERS

(III) COMMON AREAS 250 SQ. METERS

NOTE: FARNBOROUGH AUTHORITIES HAVE AGREED WE PAY ONLY
FOR NET SPACE.

3. PARTICIPATION COST ESTIMATES

A. AT 1000 SQUARE METER LEVEL TOTAL COST OF RENTAL,

DESIGN AND CONSTRUCTION INCLUDING 10 PERCENT VAT

WOULD BE POUNDS 55,000 (USING \$2.45 RATE OF EXCHANGE

\$135,000) OR AN AVERAGE COST PER BOOTH OF ABOUT

\$2800. THIS FIGURE COMPUTED ON BASIS OF 48 BOOTHS

(40 FOR REGULAR PARTICIPANTS PLUS EQUIVALENT OF 8

FOR FAA). COST OF POUNDS 55 (\$135.) PER SQUARE METER

COMPUTED AS FOLLOWS:

(I) POUNDS 22 PER SQUARE METER RENTAL FOR NET SPACE

(II) POUNDS 33 PER SQUARE METER ESTIMATED RATE FOR

DESIGN AND CONSERVATIVE TYPE CONSTRUCTION.

B. AT 710 SQUARE METER LEVEL TOTAL COST OF RENTAL,

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DESIGN AND CONSTRUCTION WOULD BE POUNDS 39,050

(\$95,675) OR AN AVERAGE PER BOOTH COST OF ABOUT

\$2500. THIS FIGURE COMPUTED ON BASIS OF 38 BOOTHS

(30 REGULAR PARTICIPANTS AND NO CHANGE FOR FAA).

C. MARKET PROMOTION AND REPRESENTATION COST PRO-

RATIONS WOULD HAVE TO BE ADDED TO ABOVE EXHIBIT

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PA-04 PRS-01 USIA-15 SPC-03 DOTE-00 NASA-04 NSC-10

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SPACE COSTS. BASED ON SAME TYPE PROMOTION PLANNED FOR
HOTEL YMPIA WE ESTIMATE COST OF AROUND POUNDS 3000
(\$7550).

4. POST WORKLOAD CONSIDERATIONS

A. FALL SCHEDULE 1974 PER DEPT'S A-8355 TRADE EVENTS
SCHEDULE FOR FY 1975 DOES NOT INCLUDE A SEPTEMBER
TRADE CENTER PROMOTION. THIS WOULD PERMIT FARNBOROUGH
TO BE INSERTED AND OPERATED AS AN OFFSITE SHOW IN
SEPTEMBER WITH NO SUPPLEMENTAL STAFF REQUIRED FROM
COMMERCE. THIS ASSUMED OIM SUPPLEMENTARY SUPPORT WILL
BE AVAILABLE FOR OFFSHORE INTERNATIONAL IN OLYMPIA
IN OCTOBER IN VIEW OF OCTOBER LTC SHOW ALSO SCHEDULED.
(SEE LONDON 8820 PARA 5).

B. IF SCHEDULE IS AMENDED TO INCLUDE A SEPTEMBER SHOW
AT LTC WE WOULD REQUIRE ASSISTANCE FROM OIM FOR AN
EXHIBITS MANAGER FOR FARNBOROUGH AND A MARKET DEVELOP-
MENT OFFICER IF WE ARE TO HANDLE FULL MARKET PROMOTION
CAMPAIGN IN SUCH A TYPE II SHOW. NEW FISCAL ASSISTANT
FOR FAIR PROGR TO BE HEADQUARTERED IN LONDON WOULD
PRESUMABLY BE ABLE TO HANDLE FARNBOROUGH ALONG WITH
OFFSHORE INTERNATIONAL. OTC DIRECTOR WOULD SERVE AS

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DUSEX FOR FARNBOROUGH AND ALSO FOR OFFSHORE INTERNATIONAL IF THAT SHOW HAD SIMILAR SUPPLEMENTARY SUPPORT AS FARNBOROUGH. LOCAL TEMPORARY SECRETARIAL/CLERICAL STAFFING WOULD ALSO BE REQUIRED AND SUPPORT OF MARKET PROMOTION FIRM.

C. FROM FOREGOING IT IS APPARENT THAT IT IS PREFERABLE TO PLAN FOR LTC OPENING IN LATE SPRING 1974 AND AMEND PRESENT FY 1975 TRADE EVENTS SCHEDULE TO INCLUDE ONLY OFFSITE FARNBOROUGH SHOW IN SEPTEMBER. HOWEVER, WE CAN HANDLE BOTH A TC SHOW AND FARNBOROUGH IN SEPTEMBER WITH SUPPLEMENTARY SUPPORT CITED 4B ABOVE.

5. COMMERCIAL PROSPECTS

DESK STUDY OF SPECIFIC AREAS OF BRITISH AEROSPACE ACTIVITIES BEING POUCHED BUT FOLLOWING HIGHLIGHTS INDICATE GENERAL AREAS OF COMMERCIAL INTERESTS TO BE SERVED BY PARTICIPATION IN FARNBOROUGH '74.

A. DEFENSIVE PRESERVATION OF OUR CURRENT SHARE OF BRITISH AEROSPACE MARKET. OUR SHARE IS CURRENTLY 50 PERCENT OF THIS MARKET ESTIMATED IN 1972 AT \$680 MILLION FOR BOTH COMMERCIAL AND MILITARY PURCHASES. THERE ARE A NUMBER OF MILITARY AND CIVILIAN COOPERATIVE EUROPEAN AEROSPACE PROJECTS IN VARIOUS STAGES OF DEVELOPMENT WHICH WILL COMPETE WITH U.S. PRODUCTS. U.S. PARTICIPATION IN FARNBOROUGH WILL HELP INSURE THAT THE COMPETITIVE COMMERCIAL FACTORS FAVORING OUR MANUFACTURES WILL NOT BE LOST SIGHT OF IN FUTURE BRITISH AEROSPACE PURCHASE DECISIONS AND MIGHT LEAD TO EXPANSION OF U.S. SHARE OF BRITISH MARKET.

B. EQUALLY IF NOT MORE IMPORTANT COMMERCIAL CONSIDERATION IS OPPORTUNITY TO EXPAND SALES OUTSIDE BRITAIN THROUGH EXPOSURE OF U.S. PRODUCTS TO THIRD COUNTRY VISITORS TO FAIR. IN 1972 ACCORDING TO FARNBOROUGH OFFICIALS OVER 5000 VISITORS FROM 120 COUNTRIES VISITED FARNBOROUGH WITH RESULTANT SALES OF 40 AIRCRAFT TO OVERSEAS BUYERS.

C. OTHER CONSIDERATIONS FOR PARTICIPATION CONTAINED REFS. A AND B.

6. EARLY DECISION ON U.S. PARTICIPATION IS REQUIRED. OUR POLL HAS SHOWN THAT SOME COMPANIES

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PLANNING TO PARTICIPATE WOULD PREFER TO DO SO AS PART OF U.S. EXHIBIT. HOWEVER, THEY ARE CONCERNED UNLESS DECISION IS MADE PROMPTLY BY USG THAT THEY WILL LOSE SPACE FOR ANY PARTICIPATION. AT PRESENT WE CAN ONLY ADVISE THEM TO KEEP BOTH OPTIONS OPEN.

7. PENDING CLEARANCE WITH U.S. AFFILIATES BY LOCAL COMPANIES AND SURVEY OF BALANCE 1C ABOVE BY WASHINGTON, ESTIMATES OF LIKELY PARTICIPATION ARE DIFFICULT. HOWEVER BASED ON INDICATION OF INTEREST AT THIS TIME WE BELIEVE PARTICIPATION OF 25 TO 35 FIRMS IS REASONABLE FORECAST. BEARING IN MIND SIZE OF CERTAIN FIRMS INVOLVED WE WOULD EXPECT SUFFICIENT NUMBER WOULD REQUIRE EXTRA BOOTHS TO INSURE FILLING SPACE IN ONE OR OTHER EXHIBITS OF SCOPE CITED PARA. 2 ABOVE.

8. ACTION REQUESTED

A. OIM CONTACT U.S. FIRMS IN 1C ABOVE AND INFORM EMBASSY RESULTS OF YOUR POLL.

B. ADVISE WHETHER WE SHOULD SEEK OPTION FOR UP TO 1000 NET SQUARE METERS OF SPACE PENDING FINAL DECISION ON PARTICIPATION.

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C. OIM CONTACT AIAA IN WASHINGTON TO ASCERTAIN THEIR
INTEREST IN COOPERATING WITH USG AT FARNBOROUGH.

D. INFORM LTC DIRECTOR NORRIS CONTENTS THIS MESSAGE.
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Message Attributes

Automatic Decaptioning: X
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Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: AIR SHOWS
Control Number: n/a
Copy: SINGLE
Draft Date: 13 NOV 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973LONDON13236
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
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